Scott. II-27—58,004—27-10-47.

DEV (1948) Department.

MS. SERIES.

G.O. NO. 4395

Dated 25-8-48

[Despatch Abstract.]

Industries. Cash Silk Fabrics Relaxed Rebate and charges — Increase of Reserved procedure — Proposal Approved

INDUSTRIES AND COMMERCE DEPARTMENT.

No. 2371-D1/48 dated 6--4--48

From: The Director of Industries and Commerce, Madras.

To : The Secretary to Government, Development Department, Madras.

Sir,

Subject: State Trading Schemes- Hand Made Paper and Government silk Filatures, Kollegal.

The question of continuance of the State Trading Schemes under the control of this Department and effecting retrechment with a view to economy in their working was discussed at the conference held at the Secretariat on 5th April 1948 by the Retrenchment and Re-organisation Committee appointed by Government. The State Trading Schemes now under the control of this Department are (1) Hand made paper scheme and (2) Government Silk Filature, Kollegal, the rest having been wound up already. As regards the Hand Made Paper Scheme it was explained to the Committee that the Handmade Paper Units at Bezwada and Bugga are working at a loss and that there is no likelihood of their working as successful commercial concerns. The Committee agreed that the Handmade Paper Units, in case Government decide to continue them, should come under the category of "Cottage Industries". In regard to the Government Silk Filature, Kollegal, the Committee was informed that a net profit of over 6 lakhs has been realised so far and that it may now be converted into a regular commercial concern borne under the ordinary revenue section of the accounts like the Kerala Soap Institute and the Government Oil Factory at Calicut. While the Committee noted with pleasure that the concern has earned a large profit and agreed that it may be converted into a regular commercial concern, they felt that the accounts of the commercial concerns run by Government should be subject to audit by an outside agency as in the case of any private commercial concern. In this connection, I wish to point out that the commercial concerns are already being subjected to audit by the Accountant General's staff who is entirely independent of the Madras Government. I have, however, no objection to our commercial concerns being audited by an outside non-government agency but this will only result in an additional expenditure to Government.

Early orders of Government declaring the Government Silk Filature, Kollegal as a regular commercial concern are solicited.

---ooo---

For Director of Industries and Commerce.

Js/7/4

No.1738 D/48

Office of the Director of Industries and Commerce, Chepauk, Madras. d/21-4-48.

From

Sri P. Govinda Menon,
Joint Director of Industries
and Commerce,
Madras.

To

The Secretary to Government
Development Department,
Madras.

Sir,

Sub:- Government Silk Filatures Kollegal - declaration as a commercial concern - Accounts - calculations of interest on capital - Addition of indirect charges and profits - Procedure adopted in the Kerala Soap Institute - adoption of:-

Ref:-Government endorsement No.99199 DII/46-10 Dev. d/21-8-47.

In this office letter No. D2. 149/47 dated 4-6-47, it was explained that the procedure that was in vogue in the Kerala Soap Institute for the calculation of interest on the capital outlay prior to 1942-43 was the one adopted in accordance with the instructions issued in G.O.No.Ms.358 Finance dated 26-10-38. This procedure is not now being followed. The profit of the concern is not added to the capital outlay for the year for purposes of calculation of interest on capital. It was further explained therein that the profit for the previous year was omitted in Schedule E for the calculation of interest on capital outlay by not adding it to the opening balance as on 1st April as per balance sheet for the year ended 31st March. It was also not included in working out the details for arriving at the closing balance as on 31st March of the year. In other words interest is not calculated on the profit/~~is added to the opening balance or not.~~ either of the methods viz. whether profit is added to the opening balance/or not and the profit is shown as a reserve and not added to capital outlay. The Accountant-General, Madras had also no objection to the above procedure being continued.

2. I have in my letter No.2371 DI/48 dated 7-4-48 submitted proposals to Government to declare the Government Silk Filatures, Kollegal as a commercial concern. I request that Government may be pleased to order that the procedure now adopted in the Kerala Soap Institute Calicut in the matter of calculation of interest and ~~of~~ show profits as a reserve ~~as is done in the Kerala Soap Institute, Calicut~~ may be followed in the Government Silk Filatures, Kollegal.

Joint Director of Industries and
Commerce, Madras.

RA/23.4.

2 Sr
To A.S.

REV OCCT

Please see the Correct
overleaf. The main file on the subject
was sent to this unit by this Dept. vide
no 411544 DI/48-1 dt 26448 This may lie over
~~for addl~~ till the return of the main file ~~to the Dept.~~

Ur 29/4/48

CAP
2.5.48

DEV DEPT

5

Memo No 41154 DI (48-2) 12-5-48

Subject: State Trading Schemes - Govt Silk Filatures, Kollegal - Regular Commercial Concern - Declaration of.

Ref: (i) From the D/Se No 2371/DI/48 dt 6-4-48
(ii) From the Dy. D/Se No 1738D/48 dt 21-4-48.

1 Cf.
3 Cf.

In connection with the proposal of the D/Se to treat the Govt Silk Filatures at Kollegal as a regular Commercial Concern and its audit being carried out by the staff of the Office of the A.G. Madras.

2. The D/Se is requested to submit detailed proposals in this regard in consultation with the Fin Dept specifying the points on which the orders of the Govt are required.

dpd 18/5/48

To the D/Se.

Copy to Fin Dept. for info.

6.5.48

OFFICE OF THE ACCOUNTANT-GENERAL, MADRAS.

Fort St. George; 18th June 1948.

No. T.15.C.O.II-756.

Enclosures.

To

The Secretary to the Government of Madras,
Depvelopment Department, Madras.

Subject:- Industries-Government Silk Filatures Kollegal-Regular Commercial Concern-Declaration of

Reference:- Madras Government Memorandum No.41154-D.1/48-2 (Dev.) dated 12th May 1948.

....

In letter No.2371-D.1/48 dated 6-4-48 to Madras Government, the Director of Industries recommended that the Government Silk Filatures, Kollegal, may be converted as a regular Commercial concern borne under the ordinary revenue section of the accounts like the Kerala Soap Institute Calicut or the Government Oil Factory, Calicut.

The Madras Government in their memorandum noted above have approved the proposal of the Director Industries to treat the Government Silk Filatures as a regular Commercial Concern. As the transactions relating to Government Silk Filatures are now accounted for under the head "85-A Capital outlay etc." which is a capital head, it is presumed that according to the orders in the memorandum of Government noted above, the receipts and charges relating to the Government Silk Filatures should, infuture, be accounted

for under "XXXII Industries etc." and "43 Industries etc." ~~etc.~~ respectively. This may please be confirmed. The change may be given effect to from the accounts for July 48 onwards unless it is desired otherwise.

A copy of this letter is being communicated to the Director of Industries and Commerce, Madras.

C. V. [illegible]

Assistant Accounts Officer.

DEPARTMENT OF INDUSTRIES AND COMMERCE.

9 3

From

The Director Of Industries and commerce, Chepauk, Madras.

To

The Secretary To Government, Development Department, Madras.

Sir,

70161 D1

Sub: Government Sericultural Farm-Kollegal-declaration as a commercial concern-accounts calculation of interest on capital addition of interest charges and profits-procedure adopted in the Kerala Soap Institute-Adoption of-

---

P3 cf. 2 I invite reference to this office letter No. 1758 D/48 dated 21-4-48 and request early orders in the matter.

FOR DIRECTOR OF INDUSTRIES AND COMMERCE.

PP/22-6

DEV DEPT

Please see from pl a Cone.
Subject Orders a draft memo & Lr Dtd & Subd below for approval

Tu 28648/28/6/48

29.6.48

Plance 63 30/6.
to 29.6

Dev. Deptt.

Memo No.69884-D.I/48-1 dated 29.6.48

Industries - G.S.F., Kollegal - Regular commercial concern - Declaration of Accounts - Calculation of interest on Capital.

P3 cf

From the D.I.& C.No.nil dated nil.

....

With reference to the reminder cited above, the attention of the D.I.& C. is invited to Govt. Memo No.41154-D.I/48-2 dated 12-5-48.

P5 cf (2)

The ~~attention of the~~ D.I.& C. is also ~~invited to~~ requested to offer his remarks urgently on the A.G's letter No.T.15.C.O.II-756 dated 18-6-48 ~~from the A.G., Madras~~ a copy of which was ~~endorsed~~ Communi to him by the A.G. ~~and he is requested to offer his remarks th on.~~

P1-2 cf

A on p2 cf

The D.I.& C.

25.7.48

Copy 29.6.48

28/6/48

13

DEPARTMENT OF INDUSTRIES AND COMMERCE 78291

From

The Joint Director of Industries and Commerce, Chepauk, Madras.

To

The Secretary to Gov Development Departme

Letter No.2571-DI/48 dated 13th July, 48

Sir,

Sub: Industries - Government Silk Filatures, Kollegal - Regular Commercial concern - Declaration of.

Ref: Development Memo No.41154-DI/48-2 dated 12-5-1948 and No.69884.DI/48-1 dated 29-6-1948.

1. The receipts and charges of the Government Silk Filatures, Kollegal, may be debited to a new head under '45.a. Industries and Supplies - Industries as follows:

"45.a. Industries and Supplies - Industries - T. Government Silk Filatures, Kollegal.

T.1. Pay of officers and Establishment.
T.2. Other charges

Travelling allowance
Dearness allowance
Tools, appliances, stores and materials.
Freight and cartage.
Electric current and Miscellaneous
Dearness allowance to menials
Wages
Service postage and telegram
Advertisement charges including exhibition expenses
Petty construction and repairs.
Miscellaneous
Books and Periodicals, Rent, Insurance etc.
Provision for depreciation.

T.3. Interest on Capital Outlay'

2. As regards receipts, a new head may be opened under XXXII. Industries and Supplies - a. Industries, Government Silk Filatures, Kollegal.

3. Accountant General, in his letter No.A.15.C.C. II-756 dated 18-6-1948 addressed to Government desires that the changes may be given effect to from July, 1948 onwards unless it is desired otherwise. It is not possible to introduce the change in accounts procedure immediately without getting the necessary registers and forms printed as in use in the Textile Cooperative Institute, Calicut. I suggest that the new system be introduced from 1st October, 1948.

4. As it will take some time to assess the extract exact requirements under the various detailed heads now proposed I request that a token grant of Rs.100/- may be obtained if necessary.

I.t.
for/ DIRECTOR OF INDUSTRIES AND COMMERCE

DEPARTMENT OF INDUSTRIES AND COMMERCE.

From

Sri. P. Govinda Menon, B.E.,
Joint Director of Industries & Commerce,
Chepauk, Madras.

To

The Secretary to Government,
Development Department,
Fort St. George, Madras.

No. 2371/D.1/48, dated 3rd August 1948.

Sir,

Sub: Industries - Government Silk Filatures, Kollegal - Regular Commercial Concern Declaration of -

Ref: This Office letter No. 2371/D.1/48, dated 13th July 1948.

****

The sub-heads submitted under 43-A. Industries and Supplies - Industries - T. Government Silk Filatures, Kollegal, in my letter cited above, were based on those in use at the Kerala Soap Institute, Calicut. It has now been suggested by the Sericultural Expert, Kollegal, that it is very desirable to have a separate sub-head for cocoons as it is the important raw material, for which the working cost should be known separately. Also, he points out, that it is necessary to have a separate sub-head for building Plant and Machinery as we are having even now expenditure of a capital nature requiring to be booked and watched separately. Under the circumstances, I request that the following sub-head of account may be sanctioned in place of those asked for in my letter cited.

T. 1. Pay of Officers and Establishment.

T. 2. Cocoons.

T. 3. Buildings, Plant and Machinery (capital)

T. 4. Other charges

Travelling Allowance,
Dearness Allowance.
Tools, appliances, stores and materials.
Freight and cartage.
Electric current and miscellaneous.
Dearness Allowance to menials.
Wages.
Service postage and Telegrams.
Advertisement charges including exhibitions expenses.
Petty construction and Repairs.
Miscellaneous.
Books and periodicals, rent, Insurance, etc.
Provision for depreciation.

T. 5. Interest on Capital Outlay.

for Joint Director of Industries and Commerce.

Development Department.

Sub: Industries - Govt. Silk Filatures, Kollegal- Receipts and charges - Accountin of - Revised procedure - Proposal of the D.I.&.C. - Approved.

Read again: Govt. Memo No.41154 DI/48-2 d/12-5-48.

Read also: From the A.G.No.T.15 C.O.II.756 dated 18-6-48.

From the D.I.&.C.No.2371 D.I./48 dated 13-7-48.

ORDER NO. 4395 MS. DEV. DATED 25/8/48

The charges and receipts pertaining to the Govt. Silk Filatures, Kollegal are now accounted for under the head "85 A. Capital Outlay on Provincial Schemes of State Trading -~~C~~. Other Miscellaneous Schemes - J. Govt. Silk Filatures, Kollegal. Consequent on the decision to treat the Govt, Silk Filatures at Kollegal as a regular commercial concern, H.E. the Governor of Madras directs that the charges of the concern be debited to the following ~~schedules~~ sub heads of account, sub-heads of appropriation and detailed heads under "43 Industries & Supplies -a. Industries" with effect from 1-10-1948:—

T. Govt. Silk Filatures, Kollegal.

T.1. ~~H~~. Pay of Officers and Establishments

T.2. Cocoons.

T.3. Buildings Plant and Machinery (capital)

T.4. Other Charges —
Travelling Allowance
Dearness Allowance
Tools appliances stores and materials.
Freight and cartage
Electric current and miscellaneous
Dearness allowance to menials.
Wages
Service Postage and Telegrams.
Advertisement charges including exhibitic expenses.
Petty construction and Repairs.
Miscellaneous
Books and periodicals, rent, Insurance e
Provision for depreciation.

T.5 Interest on Capital Outlay.

The receipts will from the same date be accounted for under the detailed account head "Government Silk Filatures, Kollegal" under "XXXII Industries and Supplies -a. Industries".

2. The D.I.&C. is requested to take steps to provide the required additional funds under "43 Industries & Supplies - a Industries - T.Govt. Silk Filatures, Kollegal" by reappropriation or otherwise and to surrender the savings under "85 A. Capital Outlay etc."

Kanara NF

To the D.I.&C.
To the A.G. through Finance.
Copy to Finance Dept.
Copy to S.F.
10 Sets

-19-

GOVERNMENT OF MADRAS

Abstract

Accounts - Classification - Opening of a subhead "Government Silk filatures" under "43.A. Capital Outlay on Industrial Development" - Sanctioned.

-X-X-X

N. I. Dev Dept (DI)

& State Trading Schemes Govt Selk Flatmes, Kalingal Regnlar Commercial concern -- Declaration of

C.411,54 DI/48

Ref. From Cen Dtee No 2371 D/48 dy 6-4-48.

10/48

Please See Cen Dtee letter ack pl cf.

At the Conference held at the Secretariat on 5th April 1948 by the Retrenchment and Reorganisation Committee appointed by the Govt, the question of continuance of the State Trading Schemes under the Control of the Dtee and effecting retrenchment was considered

The Committee was informed among others that there was a net profit of over 6 lakhs so far in regard to the

working of the Govt Silk Filatures, Kollegal Pl
and that it may now be converted
into a regular Commercial Concern borne
under the ordinary revenue section of
the accounts like the Kerala Soap Distri-
bute and the Govt Oil Factory at Calicut.
While the Committee noted with pleasure
that the Concern had earned a large
profit and agreed that it may be
converted into a regular Commercial
Concern, they felt that the accounts
of the Commercial concerns run by the Govt
should be subject to audit by an outside
agency as in the case of private Commer-
cial Concerns

The Committee points out that the
Commercial Concerns under him are
already being subjected to audit by the
AG's staff who is entirely independent

'23'

P.L.C. of the Madras Govt. The Govt however has no objection to the Commercial Concerns being audited by outside non-Governmental agency but states that this will only result in an additional expenditure to Govt.

A

In as much as the A.G.'s staff is entirely independant of the Madras Govt and in view of the above it seems desirable to continue the existing arrangements of audit of the Commercial Concerns. Govt orders.

The following points arise for orders:-

(i) Whether the Govt Silk Filature may be declared as a regular Commercial Concern and

(ii) Whether the A.G. will be asked to make necessary arrangements

4

for the audit of the Accounts or

(b) whether the D.I.O.C will be asked to appoint some private non-governmental agency for the purpose.

After orders are passed, the case may be sent to this Deptt for remarks.

A 16448 K
19/4/48

Audit by the Accountant-Generals agency will be sufficient.

24.4.48

Fin (AA)

This deptt may agree with the proposal of Deptt at A above.

No Silk Filature/Cocoon may be treated as a regular commercial undertaking after the first (Silk Reeling Test Certificate) instead of a mat trading scheme. After orders are obtained in circulation on this point, detailed proposals may be called from the D.I.O.C in consultation with the A.G.

28/4/48

49825

Fin no 41154 Dir(ind)-1 D 26 C 48

SECRETARY TO GOVERNMENT
21 APR 1948
FINANCE DEPARTMENT

Fin no 32669 D
30 June

15/11/5

4115/47/48 DEV DEPT 5

To AS

Notes from p1 above may be perused

A draft memo to the DSE is submitted below for approval. It may issue after circulation to HH(Ind).

The draft memo is self explanatory.

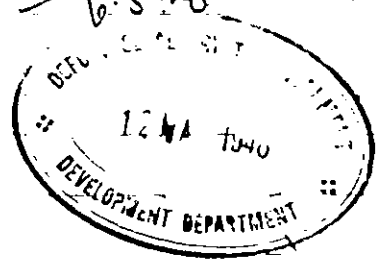
(4.5.48

CPI 6.5.48

S H Ansari 9/5/48 M(Ind)

Hallett

12/5



[Issued as Memo No 4115/47/48 12-5-48]

Confidential

DEVELOPMENT DEPARTMENT

C.F. 16.

DRAFT FOR APPROVAL.

	Date.	Initials.
When received for fair copying ..		
When copied ..		
When examined..		
When signed ..		
When despatched.		

SUBJECT:—

INDUSTRIES - Govt. Silk Filatures, Kollegal - Receipts and charges - Accounting of - Revised procedure - Proposal of the D.I. &C. Approved.

P5 cf (a) READ AGAIN Govt. Memo. No. 41154 DI/48-2, dated - 12-5-48. 19____

" " _____ " _____ 19____

READ *ALSO*:—

2 cf No. _____ From the From the A.G. _____, No. T.15.C.O II - 756 dated 1886- 1948

" P7 cf " the D.I. & C. " 2371 DI/48 " 13-7-1948.

" _____ " _____ " _____ " _____ 19____

Order Ms. ~~Revision Book~~ No. _____, dated _____ 19____

Consequent on the decision to treat the Govt. Silk Filatures at Kollegal as a regular commercial concern, H.E. the Governor of Madras directs that the debit of the charges of the Govt. Silk Filatures, Kollegal be transferred from "85 A. Capital Outlay etc." to the new sub-heads and minor sub-heads under "43 d. Industries and Supplies" as follows:—

P5 cf (a)

M cf P7 cf

For charges & receipts pertaining to the Govt Silk Filatures, Kollegal are now accounted for under 85-A Capital Outlay on Provincial Schemes of State Trading - Govt. Manufacturing & Trading Undertakings - Govt. Silk Filatures, Kollegal

"43 a. Industries and Supplies - Industries -

T. Government Silk Filatures, Kollegal —

T.1. Pay of officers and Establishments.

T.2. Other charges

Travelling allowance.

Dearness allowance.

Tools, appliances, stores and materials.

Freight and cartage.

Electric current and Miscellaneous.

Dearness allowance to menials.

Wages

Service postage and telegram.

Advertisement charges including exhibition expenses.

PETTY construction and repairs.

Miscellaneous.

Books and Periodicals, Rent, Insurance etc.

Provision for depreciation.

Interest on Capital Outlay."

2. The receipts may be accounted for under the new sub-head "Govt. Silk Filatures, Kollegal" under "XXXII. Industries and Supplies a. Industries".

3. The change in classification will take effect from 1-10-48.

4. The D. I. & C. is requested to take steps to provide additional funds by reappropriation within "grant XXI—Industries" and to surrender the excess provision under "85. A. Capital Outlay etc."

To the D. I. & C.
To the A.G. thro' Finance.
Copy to S.F.

29 DEV DEPT

Sub: Instructions Book Edn. Technical Colleges - Receipts and charges - Accounting of.

59884
~~4/1/56~~ DI/48

1-2 Cf. Rep. from Addl. A.G. No. II-756 dt. 18-6-48
P7 Cf from Addl. DI & C No 2371/DI/48 dt. 12-7-48

TOPS.

Please see Addl. A.G.'s letter at pp1-2 Cf and Addl. remarks of Addl. DI&C at p7 Cf.

The DI&C has furnished the various sub heads and minor sub heads under which the receipts and charges pertaining to the Govt. Collegiate schools be debited - V/r M on p7 Cf above the proposal at M on p7 Cf may be approved and may be introduced from 1-10-48. For orders:

M on p7 Cf

N on p7 Cf

The remarks of the Addl. DI&C

2

be invited. That Dept will also advise as to whether a token grant of Rs 100/- need be obtained from the legislature

A

vide S'on p 7 ante

A 19748 19/7/48 C.P.G. 21.7.48 Fin

Fin (B.S.)

Fin. O.W. No. 69884 Dis/48-2 dt 22-7-48

Please see the A.G.'s reference on pp 1-2 C.F. The proposal of the Dist. on p 7 C.F. The Govt have already approved the proposal to treat the Govt Silk filatures, Kollegal as a regular commercial concern vide the recommendations of the A.G. The Dist has proposed the transfer of the expenditure on the Silk filatures from "5-A Capital outlay etc." to the head '43 Industries - a Industries' the words 'xxxii - Industries'. The Deptt. department have agreed to the proposal. This department has no objection to the proposal.

52857 B

p 5 ante

p 7 C.F.

p 1 ante

may also to the transfer of the opening of the heads mentioned at M on f 7 C.F. As recommended by the Dept dept, the change in classification may be introduced from 1-10-48.

2 ~~reference~~ Para 4 on f 7 C.F. — As provision exists in the B E for 1948-9 for the Govt Silk Laboratory, Kalgoel, under '85 A', it does not seem necessary to obtain any token grant under '63 Industries, &c.' It would seem sufficient if necessary additional funds are provided by re-appropriation within the grant ~~XVI~~ ~~Industries~~ ~~Supplementary~~ ~~Estimates~~ ~~Feb 49~~ (which would be available, although not shown in the Estimates).

The provision under '85 A' will have to be surrendered. ~~The expenditure under '63' may also be required to admit the expenditure under 'Industries' on audit pending provision of funds.~~

With these remarks the Case may be returned to Dept.

Dev/83292

4

B.J.

To A.S.: Please see the notes from Dr Vasudi pd advise. A draft order is submitted below for approval. The dept may see for acceptance.

CA2 & 4 8 2/8/48

CPA 3.8.48

Fin (BA)

Pro no 0784 dt 3-4

7 = 8

(Revision fm: substitute Hr 2-3 above)

The draft order below may be accepted & the case returned to Dept

BA 5/8/48

A 6/8/48

Accepted, as amended in pencil

BJ 2.8.48

LEGISLATIVE SECRETARY TO GOVERNMENT
4 AUG 1948
PENANG GOVERNMENT

Dept-dept

From Dept's D.O. No 2371 dt 3.8.48 Fin pro no 4856.0 BA

Please see the original draft order as amended by the at flag (G) and the further reference from Dept's D.O. at pg ef. A revised clean draft order [illegible] including the further changes proposed by the Dept on pg c

[ಕರ್ನಾಟಕ ಸರ್ಕಾರ Govt. No 4395 ದಿನಾಂಕ 25-8-48]

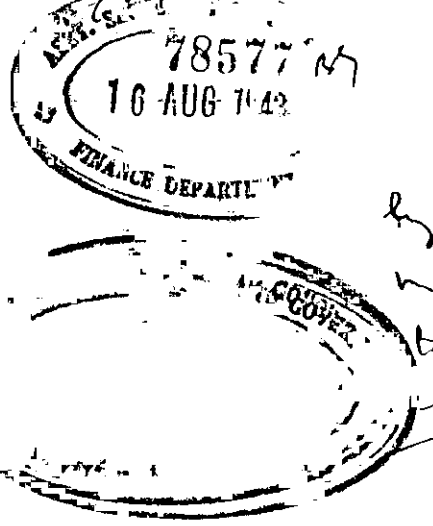
20/8/48 69884 DI/48 -33

Submitted below for approval and if
draft may see again for acceptance.

CA 13848 DRG 13.8.48

CPG
14.8.48

DRG NO NO
69884 DI/48-5
D/14-8-48.



FRS (BG)

(Previous finance minute on p 4 above)
The revised draft order as amended by Dept with reg to the DI&E's letter on p 9 of
may be accepted & the case may be returned to Dept.

CA 17.8.48 17/8/48

FR 17.8.48

Dept 90189 DI/48
DEUDEPT 20.8.48

FRS. No 78577 BG

TO I.S.

17.8.48

The draft order below may
now since

CA 20.8.48 DRG 20.8.48

CPG 20.8.48

S 20/8

HMTLKU 21/8